

Remarks

The present response is to the Office Action mailed in the above-referenced case on August 16, 2005. Claims 1-14 are presented below for examination. The Examiner has rejected claims 1-14 under 35 U.S.C. 112, second paragraph, as being indefinite. Claims 1-2 are rejected under 35 U.S.C. 102(e) as being anticipated by Landry et al. (U.S. 6,687,350), hereinafter Landry. Applicant notes that the Examiner in his remarks has not addressed claims 3-14 on their merits, and appreciates the Examiner's apparent indirect implication that those claims not addressed on their merits are patentable over the prior art provided.

Applicant has carefully studied the prior art reference provided by the Examiner, and the Examiner's rejections and statements of the instant Office Action. Responding to the Examiner's rejections due to informalities, applicant herein provides appropriate amendment to the affected claims to overcome the rejection.

In response to the Examiner's merit rejections of applicant's claims, applicant provides arguments to more particularly point out to the Examiner the subject matter of applicant's invention regarded as patentable, which the Examiner appears to misunderstand in his rejections and statements. Further, applicant presents new claims 15-28 which specifically recite a smartcard having a secure memory device and a modem interface, comprising the same limitations as the original claims which applicant believes to be patentable over the prior art provided by the Examiner.

In the Examiner's remarks of the instant Office Action the Examiner has stated that as her claim 1, Landry discloses a secure memory device for a smartcard with a modem interface comprising all of the limitations of applicant's claim. Firstly, applicant wishes to note that the Examiner uses of applicant's specific claim language when stating in the remarks of the Office Action what the reference teaches, although when the specific portion of the reference cited by the Examiner is carefully studied by applicant, the disclosure teaches something completely different. The applicant prefers that the Examiner quote the actual reference teaching, and then argue how the teaching reads on

applicant's claimed limitations. The reference teaches what the reference teaches, and should be presented exactly as such. An argument may then be fairly made as to whether (or not) the teaching reads upon applicant's claimed limitations.

The Examiner has stated that as per claim 1, Landry discloses applicant's secure memory device including all of applicant's claimed limitations, including an on-chip oscillator (page 5, lines 60-62), and further that as per claim 2, Landry discloses applicant's secure memory device as in claim 1, exchanging data with a host in the form of a modulated signal (page 7, lines 37-43). Applicant respectfully disagrees.

Applicant has carefully studied the portions of Landry cited and applied above by the Examiner, although the Examiner has not indicated in which columns of the specification the supporting portions reside. Nevertheless, applicant has reviewed the entire pages indicated by the Examiner, as well as the remainder of the specification, and firstly, can find no teaching whatsoever pertaining to an on-chip oscillator, and secondly, can find no teaching having to do with exchanging data with a host in the form of a modulated signal.

Referring now to the specification of Landry, specifically with reference to figure 2, a block diagram of a smartcard reader used in the system of figure 1 is illustrated, comprising a reader/writer unit (22), micro-controller (24), modem circuit (26), mode selection circuit (28), analog front-end (30), LCD display (32), function keys (34), power supply unit (36). Applicant has carefully reviewed the specific functions of the above components in detail from the following portions of the specification, and can nowhere find any teaching or description of an on-chip oscillator, nor can applicant find any teaching pertaining to exchanging data with a host in the form of a modulated signal.

Landry provides a special smart card reader and transaction system that uses a voice path through a switched telephone network to effect smart card transactions, the smart card reader designed to be connected to an ordinary telephone terminal. As is illustrated in figure 4, and supported in the specification, the smart card reader is designed to accept a standard smartcard with firmware including several various software components which are well-known in the art. However, what is clearly missing in Landry

is an on-chip oscillator as well as anything having to do with exchanging data with a host in the form of a modulated signal, which modulation or demodulation of the signal would be performed by an oscillator.

Applicant's invention, on the other hand, provides a secure memory device contained within the smartcard with a modem interface comprising all the elements required for providing the unique functionality of the system, including the on-chip oscillator which provides modulation and demodulation of the signals. All of the unique functionality is provided by the smartcard, which can then be used with any standard smartcard reader on the market. Landry teaches that the functionality resides within the reader, not the smartcard as in applicant's invention, and the reader of Landry is designed to be used with any standard smartcard. There is no unique functionality provided by a smartcard in the teaching of Landry.

Applicant therefore argues that Landry teaches an alternative invention which achieves an end result in an alternative manner, which does not provide for a proper *prima facie* rejection. It is axiomatic that anticipation of a claim under Section 102 can be found only if the prior art reference discloses each and every element of the claim. *In re King*, 801 F.2d 1324, 1326, 231 USPQ 136 138 (Fed. Circ. 1986). See also *Lindemann Maschinenfabrik GMBH vs. American Hoist and Derrick*, 730 F.2d 1452, 1458, 221 USPQ 481 485 (Fed. Circ. 1984). Applicant's independent claim 1 positively recites an on-chip oscillator in a secure memory device in a smartcard. Applicant's claim 2 positively recites exchanging data with a host in the form of a modulated signal, by means of a card reader characterized by the absence of processing means. Applicant believes it has been clearly demonstrated that the prior art teachings of Landry fall short in these limitations. Claims 1 and 2 are therefore patentable over the art of Landry. Claims 3-14 have not been addressed by the Examiner in his remarks, and applicant therefore believes that the depending claims are also patentable over the prior art provided, either on their merits, or at least as depended from patentable claim.

New claims 15-28 have been presented herein, specifically claiming a smartcard having a secure memory device and a modem interface, and including an on-chip

oscillator, the depending claims also reciting a smartcard comprising the same limitations as the original claims which applicant believes to be patentable over the prior art.

Applicant therefore believes that new claims 15-28 are also clearly and unarguably patentable over Landry and the art cited but not applied.

As all of the claims standing for examination, and new claims presented have been shown to be patentable as amended over the art of record, applicant respectfully requests reconsideration, and that the present case be passed quickly to issue. If there are any time extensions needed beyond any extension specifically requested with this response, such extension of time is hereby requested. If there are any fees due beyond any fees paid with this amendment, authorization is given to deduct such fees from deposit account 50-0534.

Respectfully Submitted,
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